

1825 Eye Street NW | Washington, DC 20006-5403
TEL (202) 420-2200 | FAX (202) 420-2201 | dicksteinshapiro.com

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This letter is in response to the Forest Service's Cure Notice dated November 7, 2008 (the

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unaware that the scale was miscalibrated and reasonably relied upon the equipment's Federal Aviation Administration ("FAA") certification for its intended purposes. The scale was within its calibration renewal date during use, but was not delivering correct data.

He also reported the matter to the FAA which advised

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with customary commercial practice. In this regard, the Forest Service's termination authority is confined to instances where a material breach of contract has occurred. Moreover, it is well settled that the basis for any termination must be tethered to an actual matter of contract performance. Finally, because the Forest Service bears the burden of showing the propriety of any termination that is pursued, it must prove that the action is founded upon "good grounds" and "solid evidence" and is in the best interests of the Government.

By _____, the undersigned, who is duly sworn, deposes and says that issues have adversely impacted the safe

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I. Carson's Management Has Responded To The Forest Service's Concerns With Excellence And Professionalism

The weight overages in Carson's aircraft identified by the Forest Service were caused by Carson's reliance on a defective roll-on scale which was used to weigh the overweight aircraft for purposes of submitting the aircraft equipped weight prior to the start of service under the Contracts. Notwithstanding the subsequently discovered defect, the scale in question was properly certified by the FAA to weigh aircraft at the time Carson used it for those purposes. Carson's reliance on that scale was justified and proper and is in no way indicative of a management or operational failure by Carson.

Immediately upon learning of its reliance on the defective scale and the weight overages, Carson engaged an independent aircraft weighing expert to work with the Company's management and technical staff to formulate a new set of weighing procedures. These new weighing procedures follow the procedures established by Sikorsky, the S-61's manufacturer, and have been reviewed and approved by the FAA. These new weighing procedures embed multiple checks and cross-

~~checked Carson's weighing procedures, thereby greatly increasing the accuracy of its aircraft~~

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The new weighing procedures designed and implemented by Carson in the wake of the discovery of the weight issues will dramatically decrease the likelihood that these or similar problems occur in the future.

II. The Aircraft Should Be Weighed Using Carson's New Weighing Procedures

The aircraft weights presented in this letter and in Carson's October 20 letter are the weights that should be used for purposes of evaluating the Forest Service's concerns in the Cure Notices. Carson does not dispute the intrinsic accuracy of the scales utilized by the Forest Service in Redmond. However, the weighing in that instance was not conducted in accordance with Sikorsky-approved maintenance procedures, which Carson provided to the Forest Service the

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Carson used its new FAA-approved process to re-weigh all of its aircraft. The results of this re-weighing are summarized below:

Aircraft	Contract Aircraft Equipped Weight	Current Aircraft Equipped Weight	Weight Overage
N612RM	11,026	11,063	37
N116AZ	11,023	11,016	AT OR BELOW
N905AL	11,283	11,880	597
N410GH	11,526	12,173	647
N3173U	10,837	10,788	AT OR BELOW
N7011M*	11,347	11,445	98
N4503E*	11,356	11,581	225
N103WF*	11,341	11,754	413
N61NH*	11,353	11,653	300
N725JH*	12,023	12,014	AT OR BELOW

The aircraft listed above are Carson's Part 135 passenger-carrying aircraft. The

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The weight error documented upon discovery of the defective scales averaged approximately 400

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1. ~~Re: [REDACTED] the [REDACTED] performance chart and the submission of such chart with~~

~~[REDACTED]~~

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that neither had the means, motive, and opportunity necessary to insert the improper performance chart into the Carson initial proposal.

The inclusion of the improper performance chart with Carson's initial bid was admittedly an unfortunate occurrence. However, contrary to the November Cure Notice, the incorrect inclusion of the chart had no impact on the Forest Service's award recommendations

The public version of the Forest Service's briefs to GAO in connection with a June 2008 protest by another operator for the same, or substantially similar, firefighting services, show that the agency evaluated Aircraft Technical Capability, though stated to be the most important technical

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Accordingly, any similar action here without a proper predicate demonstrating how contract performance has been materially compromised by the issues identified herein would be equally improper and unsustainable.

Moreover, it would be an abuse of discretion to terminate Carson for cause based on nothing more than a technical nonconformance with contract provisions. As noted, a material deviation

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militate in favor of accepting Carson's proposal and against terminating the Contracts. All of these factors militate against terminating the Contracts.

Carson has at all times abided by the Contracts' requirements and applicable federal law regarding the safe operation of its aircraft. The circumstances underlying both the weight overages and the performance chart issues do not warrant the imposition of a termination for cause since the source of these errors is solely attributable to factors beyond Carson's control, which the Company had no reason to know or suspect, and which Carson promptly and effectively addressed upon discovery. Additionally, a termination for cause would be particularly unfair given Carson's performance history and the significant investment of time and money the Company has made developing tools usable only by, or for the benefit of, the Forest Service. Terminating the Contracts for cause also will have a potentially severe effect on Carson's prime and subcontractor work on numerous Government projects.

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VI. Carson's Proposed Remedy

Since receiving the first cure notice, Carson's management team has devoted considerable time and attention to reviewing the weight overages and performance chart issues and Carson's overall relationship with the Forest Service. Carson has a 20-year history of flying fire suppression missions for the Forest Service and working closely with the Forest Service in fighting wildfire throughout the United States. Carson would like to continue working with the Forest Service and has formulated a proposal that the Company believes will properly address the Forest Service's concerns while presenting a way for the Forest Service and Carson to work together into the future. That proposal is attached as Exhibit A. While Carson has worked hard